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Contact: Adisa Busuladzic Phone: +93 (0) 702 63 63 28 Email: ABusuladzic @usaid.gov

PRESS RELEASE

USAID Administrator Recognizes Progress and Encourages the Expansion of Mobile Money in Afghanistan

Kabul, Afghanistan | August 24, 2011 – At the Government Media and Information Center in Kabul today, Afghanistan's Ministry of Communications and Information Technology co-hosted a press conference at which USAID Administrator Dr. Rajiv Shah acknowledged the importance of mobile money as a foundational investment for USAID in Afghanistan. Administrator Shah announced the approval of innovation grants totaling \$2.1 million from USAID to major Afghan mobile network operators Etisalat, MTN, and Roshan M-Paisa to support the expansion of mobile money. Etisalat will partner with Da Afghanistan Breshna Sherkat (DABS) to allow customers to pay electricity bills using mobile money services. MTN will help the Ministry of Education to process teacher salaries in rural areas. Roshan M-Paisa will work with microfinance institutions to improve microfinance loan repayment.

"Increasing access to safe, sound financial services for the under-served majority in Afghanistan and building transparency in the financial system is fundamental to economic growth" - said Dr. Shah. The USAID Administrator also announced a new contest that will award prizes to Afghan university students for the best mobile money applications in categories such as agriculture, government service delivery, women's empowerment, and small business development.

Less than 5% of Afghans have bank accounts; but over 63% (16.8 million) of Afghans are mobile phone subscribers. Currently, more than 500 Afghan National Police receive their salaries and 800 District Counselors get stipends via mobile money helping to ensure the effective delivery of government services in remote districts of Afghanistan.

"With more people using mobile money, this service will grow to become a commercially-viable financial infrastructure for Afghanistan," said U.S. Ambassador Richard Olson.

Speaking about mobile money, Amirzai Sangin, Afghanistan's Minister of Communications and Information Technology, said: "The growth of the telecommunications sector in Afghanistan over the past nine years has been phenomenal. Afghans who have access to mobile phones and no bank branch in their vicinity will greatly benefit from this service."

The \$5 million Mobile Money Innovation Grant Fund is managed through USAID's Financial Access for Investing in the Development of Afghanistan (FAIDA) project.

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